

Federal Emergency Management Agency

Washington, D.C. 20472

MEMORANDUM FOR: Regional Directors
Regions I-X

ATTENTION: Mitigation Division Directors

FROM: Richard W. Krimm
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DATE: 09-DEC-96

SUBJECT: Questions and Answers About the Five Percent Initiative
Under the Hazard Mitigation Grant Program (HMGP)

Since the Director issued his September 19, 1996 memorandum establishing the five percent initiative under the HMGP, many of you have written and called with questions about how it is to be implemented. My staff has prepared brief responses to these questions and they are attached here for your information. I hope these Questions and Answers will be helpful to you as you work with your States to implement the five percent initiative.

I expect additional questions to arise as we gain experience implementing the initiative. Please contact Robert F. Shea or Donna M. Dannels, of my staff, to discuss potential five percent initiative projects as they are submitted. Please continue to forward your questions to me or Mr. Shea. We will reissue the Questions and Answers with any additions as necessary.

Attachment

Questions and Answers About the HMGP 5% Initiative

Q: What can be funded under the 5% initiative?

A: The 5% initiative can be used to fund any mitigation measure that is in the State hazard mitigation plan and fulfills the program goal to reduce or prevent future loss of life or injury and damage to property. A list of examples of projects that can appropriately be funded out of the 5% initiative is attached.

Examples of Activities Which can be Funded Under the 5% Initiative

- The use, evaluation, and application of new, unproven mitigation techniques, technologies, methods, procedures, or products that are developmental or research based.
- Equipment and systems for the purpose of warning residents and officials of impending hazard events.
- Hazard identification or mapping and related equipment that is tied to the implementation of mitigation measures.
- Geographical Information Systems software, hardware and data acquisition whose primary aim is mitigation.
- Development of studies or plans, with associated implementation schedules and resource commitment (as appropriate) that are expected to lead to reduction of losses.
- Other activities, clearly falling under the goal of mitigation, for which benefits are unproven or not clearly measurable and which the State has listed as priority in its hazard mitigation plan.

Q: Can the State fund projects under the 5% initiative that are normally funded under the authorities of the U.S. Army Corps of Engineers or the Natural Resources Conservation Service?

A: As with the Hazard Mitigation Grant Program in general, the 5 % initiative may not be used to fund activities that fall under the responsibilities of other Federal agencies.

Q: What if another Federal assistance program (e.g. Public Assistance) has denied funding for a project because the project does not meet that program's cost-effectiveness criteria? Can such a project be funded under the 5% initiative?

A: The State and FEMA can consider such a project for funding under the 5% initiative. To qualify for funding, the project must meet the requirements of the 5% initiative memorandum. The State should provide a narrative analysis showing that the project will reduce future disaster damages and loss of life and injury.

Q: Can the State use the 5% initiative to fund activities that are traditionally considered response-related?

A: The intent of the 5% initiative is to fund "mitigation" activities that will provide benefits through the reduction of future disaster damages and loss of life and injury. Since it is difficult to categorize all activities into one phase of emergency management or another, each project should be evaluated based on whether it meets the criteria in the September 19, 1996 memorandum.

Q: What if a project has been previously denied (even on appeal) for funding? Can FEMA reconsider it under the 5% initiative?

A: Yes. The State can resubmit such an application, and if all other requirements are met, it can be funded under the 5% initiative. In fact, FEMA encourages States to use the five percent initiative to fund projects that have been denied rather than to appeal them.

Initiative Project Requirement Issues

Q: Are there any other requirements that projects within the 5% initiative need to meet?

A: Yes, projects funded within the 5% initiative should meet any other applicable Federal, State, and local laws and ordinances. For example, the State and subgrantee will still comply with OMB administrative and audit requirements described at 44 CFR 13 and 14 and in various OMB circulars. Also, FEMA and the State will still meet the requirements under the National Environmental Policy Act, applicable executive orders, the National Historic Preservation Act, and any other environmental laws.

Q: Does the May 3, 1996 “Environmental Policy Memo #3” regarding projects initiated without environmental reviews apply to the 5% initiative?

A: Yes, projects funded within the initiatives do need to meet the requirements of the May 3, 1996 “Environmental Policy Memo #3” from Richard S. Shivar, Acting Agency Environmental Officer. This means that projects already initiated or completed may not be considered for FEMA funding unless they fall into the emergency exceptions described in that memorandum.

Q: Do projects within the 5% initiative have to be in the designated disaster area?

A: As with all HMGP projects, the 5% initiative projects must either be located in the designated disaster area or directly benefit the designated area. Projects with a broad effect such as the development of land use codes or the development of mitigation public awareness information can be funded under the 5% initiative.

Q: If the State wishes to implement a statewide warning system, but not all counties covered by the system were included in a disaster declaration, can the project be funded under the 5% initiative?

A: If the overall project meets the requirements of the September 19, 1996 memorandum, then it can be considered for funding under the 5% initiative.

Administrative Issues

Q: What if an older disaster is still open but the HMGP has been closed out? Is the HMGP 5% initiative available for such a disaster?

A: The September 19, 1996 memorandum establishing the 5% initiative indicated that it is available for all open and future Presidential disasters. This means that even if the HMGP program has been closed out, if the disaster is still open and all of the HMGP funds available for that disaster were not spent, the 5% initiative is available. The State can request that FEMA reopen the HMGP program to allow for applications for the 5% initiative.

Q: If the State has spent most of the HMGP funds available for the disaster already, how is the 5% initiative amount to be calculated?

A: The amount of funds available for initiative projects is based on 5% of the total HMGP award limit for the disaster. If less than 5% remains unspent, then that remaining amount may be used for initiative projects. In no instance may the State spend more than the total locked-in HMGP award limit or the combination of its 5% initiative projects and regular projects.

Q: The HMGP estimate usually fluctuates a lot in the first year, and sometimes longer. If the State wants to start funding projects out of the 5% initiative right away, what number should the 5% be based on?

A: The 5% should be calculated on the current HMGP at the time the project is submitted.

Q: When should the State notify FEMA that a project should be funded out of the 5% initiative?

A: The State should indicate on the application when the State forwards it to FEMA if it is to be funded within the 5% initiative. Of course, there will be situations where the State plans originally to fund a project under the regular program, but later determines the project is better suited for the 5% initiative.

Q: What is the cost share for projects funded under the 5% initiative?

A: The cost share ratios do not change for the 5% initiative. If the disaster was declared prior to June 10, 1993, then the Federal contribution is up to 50% of project costs. For disasters declared on or after June 10, 1993, then the Federal contribution can be up to 75% of the project cost.

Q: Can the State combine the available amounts of 5% initiative funds from two or more disasters to fund one large project?

A: Yes, as long as the requirements of the September 19, 1996 memorandum and all other applicable requirements can be met. For example, the cost share requirements may be different for the two disasters. The State must ensure that the funds from each disaster are matched according to the requirements of that disaster.